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CITIZENS SUMMARY

Findings in the audit of the Office of the Governor

Operating Costs from Other Appropriations	<p>From January 2009 to June 2011, approximately \$1.7 million of the Governor's office expenses were charged to and paid from appropriations of other state agencies. But for these expenses being paid by other agencies, both the Governor's office and mansion would have spent more than their appropriation authority in each of the 3 fiscal years audited. Fourteen agencies funded all or part of the salaries for several employees of the Governor's office for a total of approximately \$770,000, and the Office of Administration (OA) paid \$32,200 to compensate an "advisor on education" to the Governor. OA employees do not separately account for and report the time spent performing tasks for the Governor's office and mansion. In the first 30 months of the current administration's tenure, employees of the Governor's office flew 334 days on state planes, costing approximately \$565,000, 96 percent of which was paid by various state agencies. State agencies also paid approximately \$37,000 for other travel expenses for employees of the Governor's office and various other operating expenses of the Governor's office totaling approximately \$406,000. This situation has been noted in the reports of other state agencies by the current State Auditor and his predecessor (Reports 2011-59, 2011-18, 2011-16, 2010-167).</p>
Travel Expenses	<p>Most lodging expenses reviewed by audit staff, especially out-of-state lodging expenses, lacked documentation to support why they were higher than appeared necessary. Hotel charges exceeded recommended rates per state policy, meal charges exceeded per diem rates, and airline tickets were not purchased at least 21 days before the flight. One employee, domiciled in St. Louis, stayed at a hotel in Jefferson City approximately 150 nights at a cost of almost \$12,000 when more economical alternatives existed. The Governor's office does not evaluate whether commercial flights would be more economical than state planes for out-of-state trips. Flight costs for 19 out-of-state flights totaled approximately \$92,800, which included \$15,630 for wait time costs and \$8,570 for pilot expense. The Governor's office could have saved approximately \$15,500 if individuals had flown commercial flights on two trips to Washington, D.C.</p>
State Resources	<p>State law is unclear regarding the use of state resources by the Governor's office for political and personal purposes. The Governor uses some security and transportation resources for all official, political, and personal activities, and the state pays the personal food costs for the Governor and his family. The Missouri Constitution prohibits the use of state resources for personal or private gain, but Section 43.330, RSMo, allows for transportation, security, and protection for the Governor and his immediate family with no distinction between official state business and personal or political events.</p>
Capital Assets	<p>The Governor's office lacks adequate capital asset records and procedures. At June 30, 2011, the state accounting system capital asset records show 570 items totaling over \$300,000, but the office list only shows 26 items totaling \$130,000. The capital asset records for the mansion include items which are also on the OA inventory list, but do not include \$160,000 worth</p>

of furniture purchased with General Revenue Fund monies, some which may be in storage. Other furniture/equipment in the mansion may have been purchased by and accounted for by the Missouri Mansion Preservation, Inc.

Mansion	Three entities were not charged for holding an event/function at the mansion, and mansion personnel did not maintain documentation to support the reason these entities were not charged. The mansion director's salary and certain other mansion operating expenses were paid from the office and OA appropriations, thereby understating the mansion's operating expenses.
Governor's Security Costs	As noted in our prior audit of the Governor's office, total costs for the Governor's security cannot be readily determined, because some costs are paid from the Governor's security division appropriation and some are paid by Missouri State Highway Patrol appropriations, but not separately tracked.
Office Policies and Procedures	The Governor's office has not developed a written, comprehensive employee manual, does not require performance appraisals for employees, and does not adequately annotate the Governor's official office calendar.
Governor Withholding	The State Auditor issued a letter report to the Governor (2011-043) after discovering the Governor lacked any documentation to support the fiscal year 2012 withholds he announced before the start of the fiscal year. The Governor's office ignored the State Auditor's request that he work with the General Assembly to resolve the matter, and the State Auditor filed suit. The circuit court held the Governor violated the Missouri Constitution by spending money in excess of specific appropriated amounts but concluded the Governor may control the rate of expenditures or withhold and reduce expenditures below their appropriation. The State Auditor intends to appeal certain aspects of the court's ruling.
Additional Comments	The Office of the Governor provided responses to the audit findings, but those responses are generally non-responsive. For the most part, the Governor's office does not commit to implementing the recommendations.

In the areas audited, the overall performance of this entity was **Fair**.*

American Recovery and Reinvestment Act (Federal Stimulus)	The Office of the Governor did not receive any federal stimulus monies during the audited time period.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.